

**NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.**

**Only the most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC's office in Suite 101 of the State Capitol Building North.**

## FISCAL IMPACT REPORT



SPONSOR: Thompson DATE TYPED: 01/23/02 HB 12

SHORT TITLE: Amend Tax Withholding Act SB \_\_\_\_\_

ANALYST: Neel

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	NFI		Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to \_\_\_\_\_

### SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

### SUMMARY

This bill adds investment partnerships to those entities not required to withhold New Mexico income tax, or to solicit a promise to file from out-of-state partners. Investment returns, including interest, dividends and sales of securities are apportioned to the partners' domiciliary or resident state and are not taxable to New Mexico. Thus, this bill simplifies the paperwork chain. The effective date is tax years beginning on or after January 1, 2002

### FISCAL IMPLICATIONS

Interest and dividends generated by an investment partnership with investments in New Mexico are wholly apportioned to the out-of-state partner's state of residence or domicile.

SN/Jsp/njw